

# Prior Period Adjustments Form Instructions

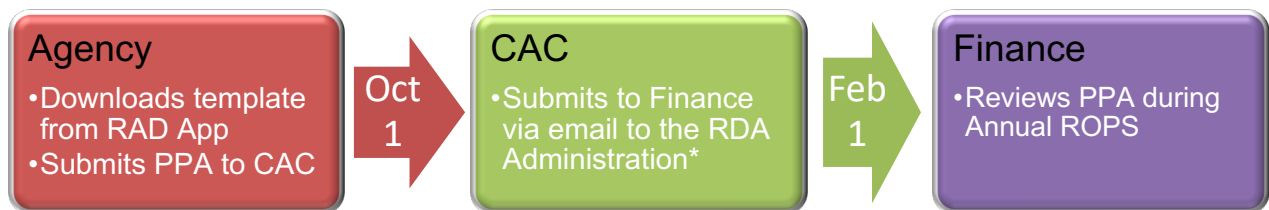
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## Introduction

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Pursuant to HSC section 34186 (c), beginning October 1, 2018, Agencies will be required to submit their Prior Period Adjustments (PPA) form to the County Auditor-Controller (CAC) for review. The CAC PPA reviews are required to be submitted to the Department of Finance (Finance) by February 1<sup>st</sup>.

Agencies can download the PPA form from the RAD App (<https://rad.dof.ca.gov/rad-sa>) and then submit the completed form to the CAC for review by October 1. The new PPA reporting form does not require an Oversight Board approval prior to submission to the CAC.



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## Reporting Method

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### 1. PPA Form

The PPA form is now separate and distinct from the ROPS template and reports actual expenditures on a fiscal year basis, combining the A and B periods. **Finance has prepopulated the item numbers, project name/debt obligation, and the authorized amounts for each line item with the exception of Admin Redevelopment Property Tax Trust Funds (RPTTF).**

### 2. RPTTF

The PPA form should report ROPS 16-17 (July 1, 2016 through June 30, 2017) actual expenditures. Agencies are only authorized to spend amounts approved by Finance through the ROPS process. Therefore, the RPTTF PPA is calculated on a line-item basis. Overspending of RPTTF for one item is not allowed, and should not be used to offset another line item where actual expenditures were less than authorized.

*The PPA form is for the full 12-month period and PPA is computed on an annual basis.*

## Admin RPTTF

The Admin RPTTF PPA difference is calculated on an aggregate basis. Reporting actual expenditures at a line-item basis is not required. Agencies should report actual administrative expenses using the following method:

### Aggregate Actual Admin RPTTF Expenditures

Finance has prepopulated total RPTTF authorized for administrative costs (Cell N7). The agency is required to:

- Enter total available (Cell O7) and total actual for expenditures (Cell Q7)
- Cells P7 and R7 will automatically be calculated and do not require agency action.

## PPA Form Columns

Column	Explanation
Item # (A)	<ul style="list-style-type: none"><li>• Pre-populated using prior ROPS information</li><li>• If applicable, the numbering of line items has been corrected by Finance to reflect a sequential and numeric order.</li></ul>
Project Name / Debt Obligation (B)	Pre-populated using prior ROPS information.
Authorized (C, E, G, I, N)	<ul style="list-style-type: none"><li>• <b>Columns C, E, G, and I:</b> Amounts have been prepopulated by Finance and should agree to Finance approved amounts for the period.<ul style="list-style-type: none"><li>○ The agency should not alter the prepopulated authorized amounts <b>unless the oversight board has approved a change of funding source</b> pursuant to HSC section 34177 (a) (4). If the authorized funding source has received prior approval, report only the new authorized funding source accordingly.</li></ul></li><li>• <b>Admin RPTTF (N):</b> Finance has prepopulated total Admin RPTTF as noted in table above</li></ul>
Actual (D, F, H, L, Q)	<ul style="list-style-type: none"><li>• Total actual expenditures should not exceed Finance authorized amounts.</li><li>• <b>Columns D, F, H, L:</b> For each line item, report the actual amount expended.</li></ul>

Column	Explanation
<p><b>Actual (D, F, H, L, Q)</b></p>	<ul style="list-style-type: none"> <li>• <b>Reserve Balance (F):</b> Report the following: <ul style="list-style-type: none"> <li>○ Use of amounts authorized to be retained for bond debt service payments.</li> <li>○ Use of amounts authorized in prior periods pursuant to AB 471.</li> </ul> </li> <li>• <b>RPTTF (L):</b> <ul style="list-style-type: none"> <li>○ If the agency received RPTTF as a reserve for the next bond payment or AB 471 authorized funding, report the encumbered amount as an actual expenditure.</li> </ul> </li> <li>• <b>Admin RPTTF (Q):</b> Report Admin RPTTF on an aggregate basis in Cell Q7 as noted in table on page 2. Actual expenditures should not be reported on a line item basis.</li> </ul>
<p><b>Available RPTTF (J, O)</b></p>	<p><b><u>Applicable to RPTTF only:</u></b></p> <ul style="list-style-type: none"> <li>• <b>RPTTF (J):</b> This column should be completed to properly report the allocation of available RPTTF by line item. <ul style="list-style-type: none"> <li>○ Available RPTTF should only be less than authorized in the event the amount of tax increment available for distribution was less than what was approved on the ROPS.</li> <li>○ Column totals should be equal to the ROPS 16-17 actual RPTTF distributed by the CAC plus all other funding available for the 16-17 periods such as, but not limited to, PPAs for the ROPS 15-16 period</li> <li>○ The authorized RPTTF includes all other remaining RPTTF cash not captured above.</li> </ul> </li> <li>• <b>Admin RPTTF (O):</b> See reporting method noted in the table on page 2 for completion of this column</li> </ul>
<p><b>Lesser of Authorized/ Available (K, P)</b></p>	<p><b><u>Applicable to RPTTF only:</u></b></p> <ul style="list-style-type: none"> <li>• No entry required.</li> <li>• This column will automatically populate the cell with the lesser of the Authorized (I, N) or Available (J, O) amount.</li> </ul>
<p><b>Difference (M, S)</b></p>	<p><b><u>Applicable to RPTTF only:</u></b></p> <ul style="list-style-type: none"> <li>• No entry required.</li> <li>• This column will automatically calculate the difference between the Lesser of Authorized or Available (K, P) and Actual (L, Q) amounts.</li> <li>• <b>RPTTF (M):</b> If the actual expenditure is greater than the lesser of the authorized or available amount, then the calculated difference will be zero (i.e. expenditures exceed the lesser of the allowable amount). Otherwise, it will calculate the actual difference.</li> <li>• <b>Total Admin RPTTF, Cell R7:</b> If the total difference is negative, then the calculated difference will be zero (i.e. expenditures exceed the total authorized admin). Otherwise, it will calculate the actual difference.</li> </ul>

Column	Explanation
PPA, Total Difference (S)	<p><b><u>Applicable to RPTTF only:</u></b></p> <ul style="list-style-type: none"> <li>• No entry required.</li> <li>• The PPA (Cell S7) will be calculated by adding the total difference for RPTTF and Admin RPTTF (Cell M7 + Cell R7). This amount will be used to offset the current ROPS period's RPTTF requested funding</li> </ul> <div data-bbox="589 514 1357 636" style="border: 1px solid black; background-color: #e6f2ff; padding: 10px; margin: 10px 0;"> <p><i>Do not attempt to override the formula. Doing so may result in misreporting of RPTTF balances.</i></p> </div>
CAC PPA columns (U, V, W, X, Y, Z, AA, AB)	<ul style="list-style-type: none"> <li>• <b>No entry required by agencies.</b> Columns are for completion by the CAC.</li> <li>• Pursuant to HSC section 34186 (a) (1), the CAC reviewed PPA is subject to Finance's review and approval.</li> </ul>